

# OFFICE OF THE NEVADA STATE TREASURER

**Dan Schwartz**



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## ANNUAL REPORT

JULY 1, 2017—JUNE 30, 2018



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# OFFICE OF THE STATE TREASURER



**November 26, 2018**

Dear Governor Sandoval and Members of the State Legislature:

I am pleased to present the State Treasurer's Office Annual Report for Fiscal Year 2018 as required by NRS 226.120. The Treasurer's Office has again had a successful year for the fiscal year ending June 30, 2018.

As in the past, our office continued to improve the services and returns we owe to Nevada's citizens. We have quadrupled interest earnings on the nearly \$4 billion in various State portfolios since the time we took office. In the case of the Local Government Investment Pool (LGIP), our returns are up over 20 times and the fund has grown from \$428 million to \$1.12 billion. We have successfully emphasized the need for an increased focus on Nevada-based investments by the Nevada Capital Investment Corporation (NCIC). Our \$1 million investment in ACCION which makes microloans to Nevada's entrepreneurs and small businesses will return 3.06% to the state—compared to the .06% average return on the Permanent School Fund when we took office.

Our College Savings and Prepaid Tuition programs continue to benefit from the introduction of our mascot, Sage. The kids love him, and they have brought their parents along. The value of pre-paid tuition trust account and 529 savings accounts has increased from \$233.81 million to \$280.64 million; and \$14.8 to \$23.7 billion, respectively over the past four years.

We are in the process of increasing efficiencies and customer service in Unclaimed Property division, best evidenced by reducing the processing time from 120 days when we took office to ~25 days. Nearly 80% of Unclaimed Property holders are now reporting via the new web-based holder portal versus mailing in checks and reports when we took office. Finally, our debt management office has saved taxpayers over \$45 million in interest payments through well-timed bond re-fundings. Moreover, Nevada has maintained its AA/Aa2, and AA+ credit ratings, while state staff saved the state \$1 billion in financing costs on Project Neon in Las Vegas.

All these achievements would not have been possible without the great team that has taken charge at the Treasurer's Office. These individuals include Tara Hagan and Grant Hewitt, Chief Deputy and Chief of Staff respectively; Senior Deputy Treasurer Beth Yeatts and Deputy Treasurers Lori Chatwood, Amber Law, Sheila Salehian, Kim Shafer, and Linda Tobin and all our dedicated and indefatigable staff.

While my term ends early in early 2019, I am confident that our great staff at the Treasurer's Office will continue to build on these achievements in the years ahead.

Respectfully submitted,

Dan Schwartz  
Nevada State Treasurer



## DAN SCHWARTZ Nevada State Treasurer

Dan is Nevada's State Treasurer. He is committed to increasing returns on the \$3 billion in State portfolios; to expanding Nevada's college savings programs; and to improving the State's services in unclaimed property and other areas.

Dan grew up in suburban Chicago and attended Princeton University. He graduated from the undergraduate program at the Woodrow Wilson School of Public Policy and International Affairs in 1972. During his junior year, he studied at the Institut d'Etudes Politiques in Paris and received his Certificate. He holds a law degree from Boston University and a business degree from Columbia.

He served in the United States Army (1972-74) and was stationed in Europe on a Pershing Missile base.

Dan has over 35 years of financial experience across multiple sectors of the banking and securities industry in Houston, New York, and internationally. He is also an experienced and accredited investor in the public and private markets.

Over the past 25 years, Dan has started and built several companies. He served as the CEO of AVCJ Group, Ltd. (AVCJ), which publishes the highly-regarded *Asian Venture Capital Journal*, the first ever print journal to be distributed over the Internet. Dan and his team built AVCJ into Asia's leading source on Asian private equity and venture capital. A UK company purchased AVCJ in 2006.

Dan is also Founder, President and CEO of Qiosk.com, "The World's Newsstand," one of the pioneers and innovative leaders in digital magazine delivery and media.

Dan is the author of two books, *The Future of Finance: How Private Equity and Venture Capital Will Shape the Global Economy* (published by John Wiley) and *Principles of the American Republic* (published by Sturdy Oak Press).

Dan, his wife, Yanan, and chow-chow Bao live in Las Vegas.



## MISSION STATEMENT

The Nevada State Treasurer's Office adheres to sound fiscal policy principles—including the prudent and conservative financial management of all State monies—by ensuring the State's money is invested with an emphasis on preservation of assets, then on return, and that the State's debt obligations are paid timely and accurately; that the State's banking relationships, State agency banking needs, and the State's Collateral Pool program are managed to the highest standard; that money entrusted by participants in the Nevada Prepaid Tuition and Nevada 529 College Savings Plans programs; the Governor Guinn Millennium Scholarship program and the Fund for a Healthy Nevada; and that Permanent School Fund dollars are all managed, monitored, and invested prudently; and that unclaimed property held by the State is returned as expeditiously as possible to its rightful owners.

# OVERVIEW

The Office of the State Treasurer was created in 1864, under Article 5, Section 19, of the Constitution of the State of Nevada. The State Treasurer is elected to a four-year term and the general responsibilities include the receipt and safeguarding of all money of the State which is not expressly required by law to be received and kept by some other person; the disbursement of state money through electronic means and checks drawn upon the Treasury by the State Controller; the investments of all available state funds which include, but are not limited to, the General Investment Portfolio, Local Government Investment Pools, Prepaid Tuition Program, 529 College Savings Plan, and the Permanent School Fund; the issuance of any debt obligation authorized on behalf and in the name of the state (with few exceptions); and managing the State's Unclaimed Property and Pooled Collateral programs.

The office is divided into six functional areas: Administration, Cash Management, Debt Management, Investments, Education Programs, and Unclaimed Property.

The mission of the State Treasurer's Office is to:

- Provide ethical financial leadership to the state;
- Provide prudent and conservative financial management of all state monies;
- Provide professional and judicious fiscal management of all state monies;
- Maximize earnings while maintaining the highest degree of safety;
- Assist families in providing for their children's higher education;
- Maintain the highest degree of public confidence and accountability;
- Maintain an organization which embodies public confidence and professionalism; and,
- Promote efficiencies through technological advances and best practices.

Statutory responsibilities of the State Treasurer:

- Member of the State Board of Finance;
- Ex-Officio State Disbursing Office for the federal government;
- Administrator of the Municipal Bond Bank;
- Ex-Officio Member of the Board of Trustees of the College Savings Plans of Nevada;
- Nevada College Kick Start Program

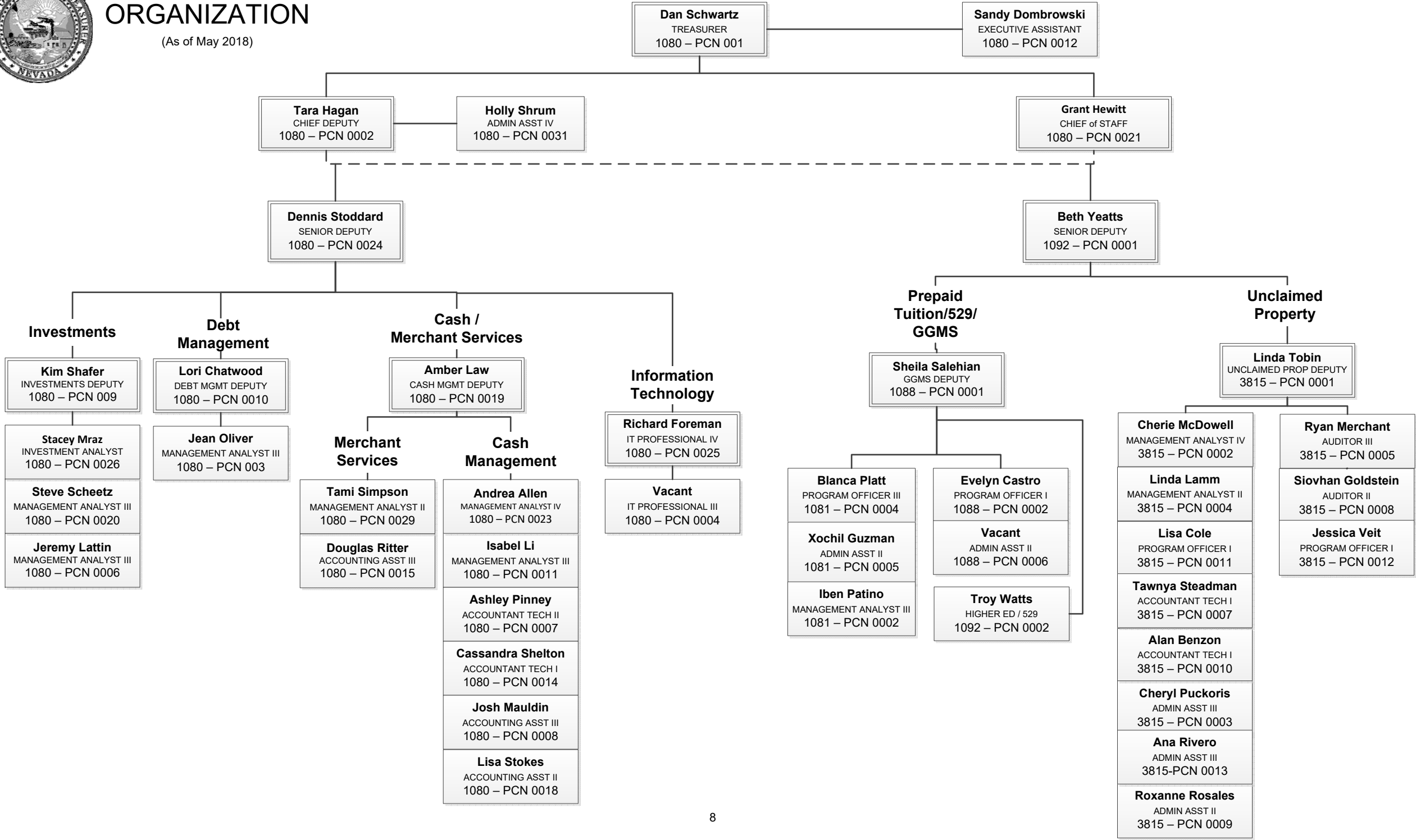
- Administrator of the 529 College Savings Plan and Trust Fund;
- Administrator of the Nevada Prepaid Tuition Program and Trust Fund;
- Administrator of the Fund for a Healthy Nevada;
- Member of the Executive Branch Audit Committee;
- President of the Nevada Real Property Corporation;
- Administrator of the Nevada Unclaimed Property Division; and,
- Chair, Nevada Capital Investment Corporation

For FY17, the State Treasurer's Office had an approved budget over all functional areas of \$12,387,387, but expended only \$11,236,237, a savings of \$1.1 million. Only 4.4% of the total expenditures were paid for with General Fund appropriation, with the balance being funded by assessments and trust fund transfers.

Concurrently, the State Treasurer's Office earned approximately \$34.86 million on the State's portfolios; saved over \$80 million in interest payments through bond refundings; and, protected \$175 million in taxpayer monies by refusing to issue general obligation bonds to fund a phantom automobile plant. Finally, public equity investments have generated \$1.79 million in additional returns to the Permanent School Fund for Fiscal Year 2018, which helps increase funding for Nevada K-12 schools.



Office of the State Treasurer  
**ORGANIZATION**  
(As of May 2018)





# COLLEGE SAVINGS PLANS OF NEVADA

*The Nevada 529 College Savings Plans, authorized by 26 U.S.C. § 529, are designed to assist parents and students in saving for future college expenses in tax advantaged savings plans. The program is authorized in NRS 353B.*

The State Treasurer's Office partners with Ascensus College Savings and Putnam Investments to help Nevada residents and families across the United States save for college. The College Savings Plans of Nevada operates as a qualified tuition program under Section 529 of the Internal Revenue Code. As such, the plans are able to combine tax benefits and flexible features, making them a smart and convenient way to save for college. In 529 savings plans, earnings in the account grow tax-deferred and, when used for qualified educational expenses at eligible higher education institutions, are federally tax-free. This allows savings to grow faster, providing more money for college-related expenses.

The College Savings Plans of Nevada consist of four direct sold plans managed by Ascensus College Savings—SSGA Upromise 529, Vanguard 529 College Savings Plan, USAA 529 College Savings Plan, and Wealthfront 529 College Savings Plan. The State of Nevada also offers one advisor-sold plan, Putnam 529 for America. As of June 30, 2018, there were 840,680 individual accounts across all five of these plans, with over \$23.7 billion in assets under management.

The various college savings plans offer a variety of market-based savings options. Each portfolio has a different allocation of stock, bond, and money market funds. The investor selects a portfolio depending on his/her own savings goals, risk tolerance, and the amount of time until the child enters college. Anyone may open a 529 college savings account by contributing as little as \$15 to open and \$15/month to maintain. The maximum that can be saved in any of Nevada's 529 Plans is \$370,000 per beneficiary. These accounts may be used for qualified education expenses at any eligible post-secondary school in the world, including two- and four-year colleges, technical and trade schools, and graduate schools. The Board of Trustees of the College Savings Plans of Nevada provides fiduciary oversight of the investment managers, program managers, marketing managers and other vendors supporting the College Savings Programs.

## **SSGA Upromise 529**

The SSGA Upromise 529 Plan is the college savings plan most actively marketed in education and outreach efforts conducted by Treasurer Office staff within the state. The Plan has seen significant in-state account growth since October 2013 with the launch of the Nevada College Kick Start Program.

## **Silver State Matching Grant Program**

The Silver State Matching Grant Program, available within the SSGA Upromise 529 plan, offers low- and middle-income Nevada families a matching grant of up to \$300 in extra college savings per calendar year, with a lifetime maximum grant of \$1,500. Matching grant funds is part of the office's contract with Ascensus, so *no taxpayer dollars are used*. The program was significantly expanded in FY14 to include all Nevada families with a household Adjusted Gross Income of under \$75,000. Last year 315 applications for matching grant money were approved. That means up to \$94,500 in additional funds which will be set aside for Nevada families saving for college to

help their children achieve the dream of pursuing higher education when they graduate from high school

### **Vanguard 529 Plan**

Nevada's Vanguard 529 College Savings Plan is one of the largest in the nation, with 390,961 accounts and assets of nearly \$18 billion under management as of June 30, 2018. This industry leading plan is consistently ranked as one of the best by financial rating agencies. In 2018, Nevada's Vanguard 529 Plan once again received an overall rating of "Gold" from Morningstar, a leading provider of independent investment research in North America, Europe, Australia, and Asia. A "Gold" rating was only given to 4 plans in the entire United States last year, with Nevada's Vanguard plan being one of them! See details of the 4 "Gold" plans below.

#### **Morningstar Analyst Ratings for 529 College-Savings Plans**

##### **Gold Rating (4 plans out of 64 ranked received a Gold rating)**

Illinois:	BrightStart College Savings Plan
<b>Nevada:</b>	<b>The Vanguard 529 College Savings Plan</b>
Utah:	My529 Plan
Virginia:	Invest529 Plan

### **USAA 529 College Savings Plan**

In partnership with USAA Asset Management, the USAA 529 College Savings Plan is geared toward military families. The plan has over 286,444 accounts and \$3.7 billion in assets as of June 30, 2018.

### **USAA Distinguished Valor Matching Grant Program Expanded**

The State Treasurer's Office, working in conjunction with the USAA 529 College Savings Plan, established the USAA Distinguished Valor Matching Grant Program in January 2011 to allow families of Purple Heart recipients the opportunity to receive up to \$1,500 in matching funds to their USAA 529 College Savings Plan contributions. It is the only such matching grant program in the nation. Previously only open to Purple Heart recipients from Nevada who had served in Operation Enduring Freedom or Iraqi Freedom, the program has been expanded to include all active duty US military and reservists who are Nevada residents.

### **Putnam 529 for America**

Sold in Nevada and nationally through financial advisors, Putnam 529 for America showed promising growth. As of June 30, 2018, the plan had \$452.2 million in assets under management and 20,206 total accounts.

### **Wealthfront 529 Plan**

New to the college savings lineup is the Wealthfront 529 Plan. As of June 30, 2018, the plan had \$137 million in assets under management and 11,230 total accounts.

## Historical charts

The following charts underscore the overall growth of accounts and assets under management over the past six years, including doubling the number of Nevada accounts.

### Number of National Accounts:

Year	SSGA Upromise 529	Vanguard 529 Plan	USAA 529 Plan	Putnam 529 Plan	Wealthfront 529	Total
2013	153,837	230,323	178,657	16,859	N/A	579,676
2014	153,128	255,357	206,333	18,306	N/A	633,124
2015	148,868	285,571	232,427	19,506	N/A	686,372
2016	144,571	314,967	251,858	20,229	N/A	731,625
2017	136,382	348,449	268,333	20,146	5,088	778,398
2018	131,839	390,961	286,444	20,206	11,230	840,680

### Assets Under Management:

Year	SSGA Upromise 529	Vanguard 529 Plan	USAA 529 Plan	Putnam 529 Plan	Wealthfront 529	Total
2013	\$1,084,540,000	\$8,184,020,000	\$1,690,800,000	\$302,780,137	N/A	
2014	\$1,237,190,000	\$10,417,310,000	\$2,210,580,000	\$367,909,671	N/A	
2015	\$1,276,391,819	\$11,716,947,923	\$2,479,562,950	\$397,081,967	N/A	
2016	\$1,309,730,000	\$12,850,740,000	\$2,703,540,000	\$397,471,521	N/A	
2017	\$1,389,190,100	\$15,432,000,000	\$3,271,140,000	\$428,589,198	\$53,530,000	\$20,574,449,198
2018	\$1,447,340,000	\$17,992,750,000	\$3,690,830,000	\$452,247,753	\$136,860,000	\$23,720,027,753

### Number of Nevada Accounts:

Year	SSGA Upromise 529	Vanguard 529 Plan	USAA 529 Plan	Putnam 529 Plan	Wealthfront 529	Total
2013	3,956	3,214	2,085	360	N/A	9,615
2014*	4,537	3,604	2,490	425	N/A	11,056
2015*	5,396	4,118	2,798	451	N/A	12,763
2016*	5,983	4,695	3,014	457	N/A	14,149
2017	7,207	5,371	3,319	488	33	16,385
2018	8,001	6,115	3,493	542	79	18,230

\*Account numbers adjusted for fiscal years 2014, 2015, and 2016 to remove the original 3,550 College Kick Accounts that were in the rural pilot program and originally counted as SSGA Upromise 529 Accounts. See Nevada College Kick Start section for further details.

## Education and Outreach Initiatives - Increased Nevada Participation

With the intent of increasing participation in the College Savings Plans of Nevada and the Nevada Prepaid Tuition program, the State Treasurer's Office continued its grassroots education and outreach campaign to Nevada residents by highlighting the value of saving for college and the ease of enrollment into the College Savings programs. Several avenues that continue to be successful in promoting these programs, include:

- Dedicating an in-state field representative in both Reno and Las Vegas through our contractual relationship with Ascensus to work with local businesses and organizations to increase awareness of the SSGA Upromise 529 Plan, college savings in general, and to provide assistance to Nevada families in establishing accounts for their children.
- Expanding the \$529 College Savings Day Contest to award \$529 college savings accounts to randomly selected online entries during the months of May and September.
- Participating in numerous community events, such as Parent Teacher Association Conventions, school counselor meetings, back-to-school nights, Reno Aces baseball games, children's museums, back-to-school fairs, and other events throughout the State.

## Nevada College Kick Start Program

In fall 2013, the Treasurer's Office launched the Nevada College Kick Start Program (CKS), which establishes \$50 college savings accounts for all public school kindergarten students in the state. This is the first statewide, universal children's savings account program in the United States and, as such, has garnered much national attention. The accounts are established using a portion of the program manager fees paid to the Treasurer's Office, *not taxpayer dollars*.

CKS accounts are held within a master account in the SSGA Upromise 529 Plan. The account is invested in the age-based portfolio which most closely matches the age of the students. CKS accounts are controlled by the State Treasurer's Office and can only be used for qualified education expenses at an eligible institution by the student. There are no fees to participate. Data needed to enroll students in the program is provided to the office by the State Department of Education and is secured by contract and cannot be shared with anyone else.

As of June 30, 2018 there were 170,424 students participating in the program. Funding for student accounts totaled just over \$8.5 million. Based on 2017 legislative changes as a result of AB475, parents must "claim" their child's Kick Start account by the time the child enters the 5<sup>th</sup> grade to ensure the funds are available to apply towards postsecondary education once they graduate from high school. The following chart shows the total number total of college kick start accounts that were claimed and the total number of college savings accounts that were linked as of June 30, 2018.

Claimed CKS Accounts			Linked SSGA Accounts			Participating in Other Nevada 529 Plans							
	Claimed Accounts	Total CKS Accounts per cohort	Existing	New	Total Linked	Nevada Prepaid Tuition Program	Vanguard 529 College Savings Plan	Putnam 529 for America	Wealthfront 529 College Savings Plan	USAA 529 College Savings Plan	Total other NV 529 Plans Identified	Total CKS Accounts who also have a NV 529 account	Other - another state's 529 plan
Cohort													
2013	6031	34,520	131	143	274	24	4	0	1	9	38	312	25
2014	5120	33,483	91	128	219	22	0	0	0	18	40	259	19
2015	5527	33,774	98	151	249	24	0	0	1	13	38	287	14
2016	5581	35,669	97	445	542	36	0	1	0	34	71	613	42
2017	1873	32,978	37	72	109	13	0	0	0	10	23	132	14
Total	24,132	170,424	454	939	1,393	119	4	1	2	84	210	1,603	114

# NEVADA PREPAID TUITION PROGRAM

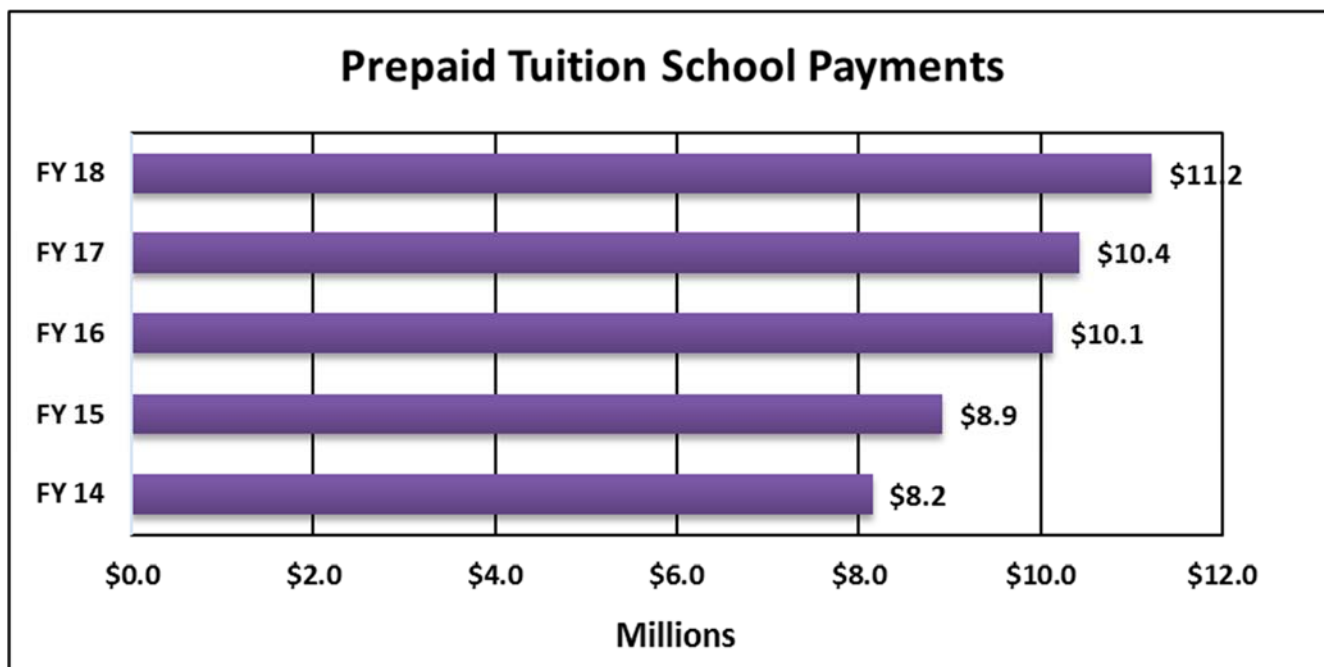
The Nevada Prepaid Tuition program enables parents, grandparents, and other family members to lock in future in-state college tuition rates at today's prices. However, benefit usage is NOT restricted to Nevada. The Nevada Prepaid Tuition Program is authorized by 26 U.S.C. § 529. *The program is designed to assist parents in saving for future college tuition expenses in a 529 College Savings Qualified Tuition Plan, which offers tax advantages to account holders. The Program is authorized under NRS 353B.*

The Nevada Prepaid Tuition Program, which began in 1998, continues to offer a smart savings option to Nevada residents and/or graduates of the Nevada System of Higher Education to lock in Nevada's in-state college tuition rates for their newborn to ninth grade children. The program provides parents, grandparents, extended family members, and friends a variety of options, which makes participation in the program easy and convenient.

As of the latest actuarial report ending June 30, 2018 completed by an independent outside firm, the funded status of the Nevada Prepaid Tuition Program is 142.0%. This is an increase from the previous fiscal year, and the strongest funded status in the 21-year history of the program. Contracts may be purchased with a lump sum payment, paid monthly over 5 years, monthly over 10 years, or monthly until the child is ready to attend college. At the conclusion of Fiscal Year 2018, a total of 21,041 children were enrolled in the program, and the Nevada Higher Education Tuition Trust Fund held assets of \$280.6 million, an increase of 774 children and \$24.7 million respectively over the prior year. This year, the program continued its education and outreach efforts as part of the umbrella campaign which includes all of the Treasurer's Office educational college savings programs and scholarships.



According to an article from Georgetown University, by the year 2020, 65% of the jobs in the economy will require postsecondary education and training beyond high school. The Nevada Prepaid Tuition Program offers Nevadans an opportunity to properly prepare for those jobs by purchasing in-state tuition today for tomorrow's usage. The contracts are transferable to other children in the family, including first cousins and the benefits can be used in or out-of-state at eligible institutions of higher learning. As of June 30, 2018, there were 3,243 students eligible to use their benefits. The program paid out over \$11.2 million in tuition benefits on behalf of these students in Fiscal Year 2018, an increase of roughly 7% from Fiscal Year 2017.



The amount of tuition distributions continues to increase each year as the cost of tuition and the number of students eligible to use their benefits continue to increase. In Fiscal Year 2018, 35% of tuition payments were made to private and/or out-of-state institutions, while 65% of the student beneficiaries attended in-state public institutions of higher learning during the year. These percentages remained roughly the same from the prior fiscal year.

During Fiscal Year 2018, the Program maintained its published November-March open enrollment dates following suit from the previous two fiscal years. The Program enrolled 774 new students and the 4-year university plan remained the most popular choice of plans, with slightly over 54% of purchasers choosing the 4-year university plan for their loved one. For the first time, the lump sum payment option (40.1%) exceeded both monthly payment options (36.8% extended payments and 23.1% five year payment option) as the most popular payment choice. Families in this state clearly realize the importance of saving for college and the inherent value of pre-purchasing College Tuition with the Prepaid Tuition Program.

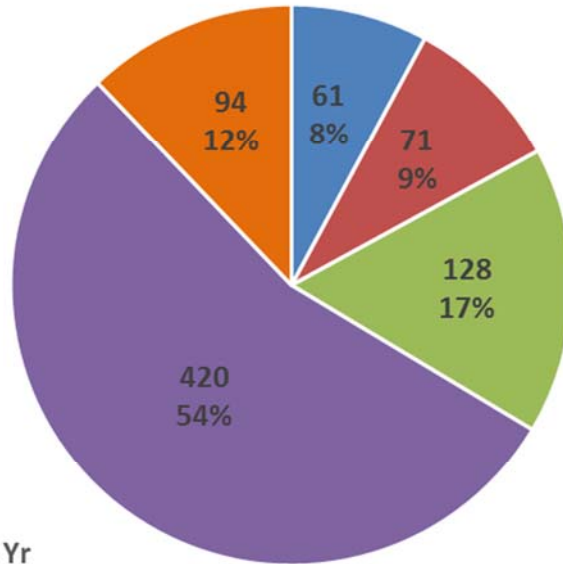
In-state tuition and fees at public national universities have increased by 243% over the last 20 years (224.6% in Nevada) and student loan debt continues to rise. According to data by the Federal Reserve Bank of New York, outstanding student loan debt grew by 2.1% to \$1.41 trillion, from \$1.38 trillion at year end 2017. That's an increase of \$29 billion from the prior year!

Nevada is one of only eleven states which still offers a prepaid tuition program. The Nevada Prepaid Tuition program is flexible, affordable and the benefits can be used at any institution across the United States that accepts the Free Application for Federal Student Aid (FAFSA). The Program offers an alternative to acquiring student loans to pay for college tuition. The Treasurer's website, [NVPrepaid.gov](http://NVPrepaid.gov) allows convenient online enrollment, access to program forms, the ability to make contract payments, and to perform basic account updates and changes.



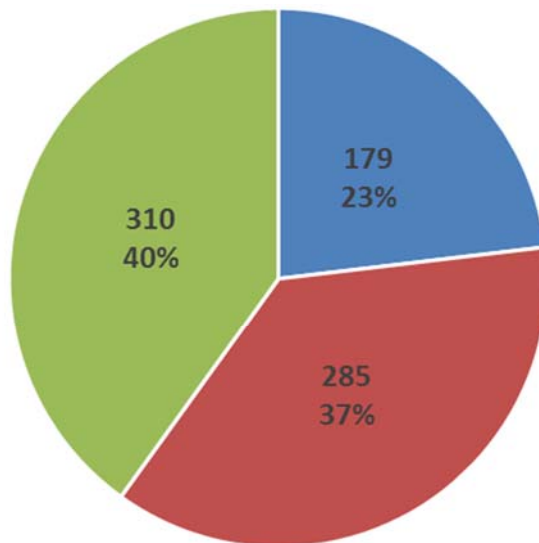
### Plans Purchased

- 1 Yr University
- 2 Yr Community College
- 2 Yr University
- 4 Yr University
- 2 Yr Community College + 2 Yr University



### Payment Options Chosen

- 5 Year
- Extended Monthly
- Lump Sum



# FINANCIAL LITERACY

In accordance with NRS 353B.350(5), “the Endowment Account must be used for the deposit of any money received by the Nevada College Savings Program that is not received pursuant to a savings trust agreement and, in the determination of the State Treasurer, is not necessary for the use of the Administrative Account.”

Annual funding of \$175,000 for financial literacy outreach efforts was initially approved by the College Savings Board in April 2010 and continuously renewed through June 30, 2019 as part of the long-term year College Savings Outreach Plans.

**Financial Literacy in Nevada:** The State Treasurer’s Office approach to providing increased financial literacy education in Nevada to students, parents, teachers, and other residents includes:

- Providing financial support to local nonprofit organizations who promote financial literacy such as, The Andson Foundation, Junior Achievement, Nevada Council for Economic Education, Women's Money, etc.
- Partnering to develop a financial literacy website with online curriculum, specialized training programs and other resources for Nevada families.
- Sponsoring of Financial Literacy Conferences in northern and southern Nevada to support legislation requiring teachers to inform students about college savings options and scholarships administered by the State Treasurer’s Office. The Treasurer's Office has partnered with Strategic Progress and Sectorlytics to provide financial literacy curriculum and content in a website for parents, educators and students as a follow up to the conferences.

## Financial Literacy Outreach

Treasurer Dan Schwartz is passionate about educating Nevadan’s in financial matters, so they will become more economically prepared to deal with cyclical and personal economic conditions. To this end, the Nevada State Treasurer’s Office continued financial literacy outreach activities in Fiscal Year 2018 aimed at educating Nevada parents and children about the importance of learning and managing personal finances. These activities and programs, offered in partnership with organizations such as the Andson Foundation, Junior Achievement, and other non-profit organizations such as Sectorlytics included the following activities:

### 1) The Andson Foundation:

The Andson Foundation has been a long-standing partner of the Nevada State Treasurer’s Office in assisting to provide high quality financial education. In 2018, a monetary sponsorship was provided to the Andson Foundation for two schools in rural Nevada. This sponsorship includes

providing in-class financial literacy curriculum, college savings nights for parents, data management and reporting, and piggy bank programs.

## **2) Partnering with Sectorlytics and Strategic Progress for online resources.**

In Fiscal Year 2018, Sectorlytics began developing a financial literacy website for college savings programs which included designing financial literacy curriculum and developing online content and resources for educators, parent and students with a specific emphasis on preparing for higher education with college savings options and scholarship information. The partnership with Strategic Progress provided two online financial literacy training programs for Nevada military and veterans families, and families of children with special needs. These programs were provided without cost to the families and enabled Strategic Progress to collect pre- and post- test results that will be analyzed to determine the success of the training programs.

## **3) Hosting Financial Literacy Conferences:**

In Fiscal Year 2018, the Treasurer's Office and the College Savings Board of Nevada sponsored multiple Financial Literacy Summits and the Nevada Women's Money Conferences in northern and southern Nevada. The Financial Literacy Summits were hosted by the Nevada State Treasurer's Office in Clark and Washoe Counties specifically to educate public and charter school teachers on the requirements within Senate Bill 249 that was passed in the 2017 legislative session, and will require teachers to teach financial literacy in grades 3-12 starting in the 2019-2020 school year. These conferences offered free curriculum, training to teachers, lesson plans and other resources with a special emphasis on college savings. Attendance and professional development were offered free to the teachers, and many nationally recognized speakers donated their time to the event to provide Nevada's teachers critical information on why teaching financial literacy was such an important topic for students in the 21st century classroom. The Treasurer's Office did not spend any taxpayer dollars to hold these conferences which were attended by more than 250 teachers statewide.

# GOV. GUINN MILLENNIUM SCHOLARSHIP

In 1999, the Legislature unanimously approved the dedication of 40 percent of Nevada's Tobacco Master Settlement Agreement payments to fund the Millennium Scholarship Program, which by legislative decree during the 2005 session was renamed after former Gov. Kenny Guinn. Graduates of the class of 2000 were the first recipients of the scholarship.

The program provides scholarship funding toward attendance at an eligible college or university located within the State of Nevada to qualifying high school graduates.

Scholarship requirements are posted on the Millennium Scholarship website –

[www.nvggms.gov](http://www.nvggms.gov).

## Governor Guinn Memorial Wall



There is no application process for the student to complete. Nevada high schools electronically submit the names of eligible students to the Millennium Scholarship Program in the Treasurer's Office. Including the graduating class of 2018, more than 186,067 high school seniors have been deemed eligible to receive the Millennium Scholarship. The average utilization rate, as of September 2018, is 56.22% percent of the total eligible since the program was established and more than \$444 million has been distributed to 139,231 Millennium Scholars, who collectively, have earned more than 45,439 associate, bachelor, and other certificates and degrees.

Now in its 18th year, the Gov. Guinn Millennium Scholarship Program (GGMS) continues to encourage and support students in their pursuit of higher education in Nevada.

As administrator of the program, the State Treasurer's Office continues to:

- Operate the program's database (MiSL: Millennium Scholarship Ledger), which collects, stores, and maintains data on Millennium Scholars, providing a dedicated website for student access.
- Collect initial eligibility data from 17 county school districts, 50 private high schools, adult education, and home school applicants so they can be provided award packets with the scholarship information.
- Conduct outreach efforts throughout the state at college fairs, schools, private companies, PTA meetings, and other venues to provide the latest information about the Millennium Scholarship Program.

- Collaborate with representatives of each Nevada System of Higher Education (NSHE) institution, NSHE System Administration, System Computing Services, Nevada Association of School Superintendents, and the Nevada Department of Education to support the program.

According to data from NSHE and the Treasurer's Office, the program appears viable through FY19. Revenues, expenses, and fund balance for the Millennium Scholarship Fund for FY18 includes:

Beginning Balance	<b>\$8,504,559</b>
Transfer from General Fund	<b>\$20,000,000</b>
Tobacco Settlement	<b>\$16,595,931</b>
Transfer from Unclaimed Property	<b>\$7,600,000</b>
Treasurer's Interest revenue*	<b>\$151,155</b>
Annual Revenue (excluding beginning balance)	<b>\$44,347,086</b>
<hr/>	
Tuition Payments	<b>(\$34,500,836)</b>
	<b>(\$34,500,836)</b>
<hr/>	
Ending Balance	<b>\$18,350,809</b>

\*Includes prior year refund amount of \$3,379

# KENNY C. GUINN MEMORIAL MILLENNIUM SCHOLARSHIP

Senate Bill 220 establishing the Kenny C. Guinn Memorial Millennium Scholarship was unanimously passed during the 2011 Legislative Session. It was expanded during the 2013 Legislative Session to award scholarships to two recipients each year, one from a Northern school and one from a Southern school.

Following the tragic death of former Gov. Kenny C. Guinn in July 2010, at the request of former First Lady Dema Guinn, the Treasurer's Office worked closely with the Guinn family to create a separate account within the Gov. Guinn Millennium Scholarship Trust Fund to accept donations in his honor. The Treasurer's Office then partnered with the late Senator William Raggio and Senator Ben Kieckhefer during the 2011 Legislative Session to craft and pass Senate Bill 220, which established the Kenny C. Guinn Memorial Millennium Scholarship. In 2013, Senate Bill 102 amended the statute to allow the scholarship to be given to two students annually, with one recipient being a student in Northern Nevada and the other in Southern Nevada. The legislation passed unanimously both times.

## **Eligibility Requirements:**

1. Must be a current Millennium Scholar;
2. Must be entering his/her senior or last year of college with 90 or more credits at an eligible institution (eligible institutions are the University of Nevada, Reno; University of Nevada Las Vegas; Great Basin College; Nevada State College; and Sierra Nevada College);
3. Be enrolled in and remain enrolled in a course of study leading to licensure in elementary or secondary education;
4. Maintain a college grade point average of not less than 3.5 on a 4.0 grading scale;
5. Make a commitment to teaching in Nevada upon graduation; and
6. Have a commendable record of community service.

## **Award**

The award can be used to help pay the educational expenses of the recipients for their senior year of college which are not already met by the student's GGMS scholarship funding, including registration fees, laboratory fees and expenses, and to purchase required textbooks and course materials.

The Kenny C. Guinn Memorial Millennium Trust Fund continues to have a strong financial position with a balance of \$162,192. The two annual maximum awards of \$4,500 each will be available to pay recipients for many years to come.



## 2018 Winners



**Rikki Boschetti – Nevada State College**



**Aubrey Klouse – University of Nevada Reno**

# UNCLAIMED PROPERTY DIVISION

The State of Nevada's Unclaimed Property Division currently safeguards more than \$821 million in unclaimed property, believed to belong to individuals and businesses who have, at some point, resided in the Silver State.

Each year businesses and government agencies turn over millions of dollars worth of abandoned property to the State, where it remains in perpetuity until claimed by its rightful owner. This property may include securities, payroll checks, utility deposits, insurance proceeds, refunds, and physical property.

Nevada Unclaimed Property advertises a list of presumed property owners or online search instructions at least annually in a major newspaper in each of Nevada's counties, and holds auctions for physical property.



## Unclaimed Property Owner Claims

The Unclaimed Property Division paid 30,411 claims in FY18, an decrease of 8% from FY17. However, Unclaimed Property returned over \$39.8 million to rightful owners, an increase of almost 10% from FY17. In FY18, 70% of all claims were paid via our online approval system, Fast Track, which is an increase of 11% over FY17. This continues an upward trend which demonstrates that more claimants are able to easily file their claims online for property each year. While Nevada Revised Statutes require all claims to be reviewed within 90 days of receipt, the division maintained a 30 day or less processing time on 92% of all submitted claims

## **Unclaimed Property Owner Outreach**

At the conclusion of FY18, the state was holding approximately \$821 million in unclaimed property. The State Treasurer's Office, Nevada Unclaimed Property Division, continues to utilize many methods to reunite rightful owners with their unclaimed property:

- Public notices being published in 15 newspapers throughout the state identifying unclaimed property held by the state, along with the name of the rightful owner or instructions for searching online.
- Member of the National Database website sponsored by the National Association of Unclaimed Property Administration (NAUPA), which provides a national search engine for unclaimed property.
- Implementation of a social media pilot program to increase awareness of online search capabilities and educational outreach regarding unclaimed property.

## **Unclaimed Property Collections**

Over \$75 million was collected from holders in FY18, bringing the total of property safeguarded by the Nevada Unclaimed Property Division to over \$821 million. A transfer of \$25.1 million was provided to the General Fund.

## **Holder's Voluntary Disclosure Agreement Programs**

As part of the Division's continuing efforts to assist holders, a Voluntary Disclosure Agreement (VDA) program was established in FY10 to encourage non-compliant businesses to conform to Nevada's unclaimed property laws without penalties being added. The VDA program provides an avenue for businesses, which may not have realized they were out of compliance, with an opportunity to work with the Unclaimed Property Division to submit past due reports. In FY18, more than \$613,000 was reported as a result of the VDA program.

## **Safe Deposit Box Content Auctions**

Each year, the Unclaimed Property Division attempts to locate lost owners of Safe Deposit Boxes. Following at least one year, but not more than two years, of remaining unclaimed, the contents are auctioned. Auctions occur at least annually, and proceeds of auctions are transferred to the state's General Fund, though the rightful owner retains the ability to claim the proceeds from the sale indefinitely. In FY18, the auction proceeds totaled \$337,663.

## CASH MANAGEMENT DIVISION

The primary duty of the Cash Management Division is to manage the State's banking relationships, Merchant Services, and assist State agencies with their banking needs. The Division is also responsible for the Treasurer's Office administrative and accounting functions.

The Cash Management Division oversees the State's banking relationships, reconciles bank transactions with state accounting records, manages the State's electronic payment acceptance program, and administers the state's check distribution program. The Division assists with accounting and administrative duties within the Treasurer's Office, including: day-to-day budget processes; biennial budget requests; purchasing and contract management; revenue forecasts; and reports and financial statements due to the Controller's Office, Department of Administration, and the Legislative Counsel Bureau. Most general inquiries from the public are also handled by the Cash Management Division.



**Cash Management Division staff in Carson City**

In addition to its main depository and controlled disbursement accounts, the Treasurer's Office also has twenty-nine bank accounts under analysis, with most of these accounts being zero balance accounts. The funds deposited into these accounts by other State agencies are transferred into the State's consolidation account on a daily basis, thus providing an efficient method for combining cash balances within one financial institution and minimizing non-invested cash balances. The Treasurer's Office also maintains three depository accounts with other financial institutions in order to offer State agencies in geographically remote areas the ability to more timely deposit funds.

As manager of the State's electronic payment acceptance program, the Treasurer's office maintains over 200 merchant accounts, and with the transition to Wells Fargo Merchant Services State agencies receive next day funding on all electronic transactions. In addition, the Treasurer's Office



maintains a website for electronic payment acceptance featuring information and forms for assisting agencies through the merchant services process. In fiscal year 2018, the Treasurer's Office continued the Merchant Services Education and Outreach Program assisting State agencies with Payment Card Industry Data Security Standards (PCI DSS), credit card reconciliation, and overall merchant services processes related to accepting electronic payments, such as credit and debit cards.

Cash Management personnel are responsible for the accounting and distribution of funds relating to the Tobacco Master Settlement Agreement (MSA). State law requires 40% of the funds be allocated to the Gov. Guinn Millennium Scholarship Fund and 60% to the Fund for a Healthy Nevada. Nevada received approximately \$42 million in MSA funds in FY18 enabling Cash Management to distribute approximately \$16.5 million to Millennium recipients and \$24.8 million to the Healthy Nevada program.

The Cash Management Division also allocates revenues from the lease of federal lands in Nevada. Under NRS 328, these revenues are shared between the Department of Education's Distributive School Account, county treasurers, and school districts based on the percentage of revenues collected in those various jurisdictions.

The Treasurer's Office continues to seek more efficient and safe means by encouraging the use of items such as cash vaults, remote deposit, positive pay, and ACH blocks and filters, which State agencies can use to carry out their financial transactions.

## INVESTMENT DIVISION

The investment of the State of Nevada's General Portfolio is a function performed by the State Treasurer's Office in accordance with state statutes. An Investment Policy for prudent investment of State funds has been adopted to guide this process. The General Portfolio includes all State funds, excluding funds invested for the Local Government Investment Pool (LGIP), Local Government Pooled Long-Term Investment Account (NVEST), Permanent School Fund (PSF), and the Higher Education Tuition Trust Fund.

The Investment Division has four staff members—the Deputy Treasurer of Investments, an Investment Analyst, and two Management Analyst III positions. Staff responsibilities include investment and accounting activities relating to the General Portfolio, Local Government Investment Pool (LGIP), and the Permanent School Fund (PSF), as well as oversight of the NVEST investment advisers. The Higher Education Tuition Trust fund is overseen by the Nevada College Savings Board as part of the Prepaid Tuition Program. Please see the Prepaid Tuition Program section of this report for more information. Additionally, the Investment Division manages the Nevada Collateral Pool Program.



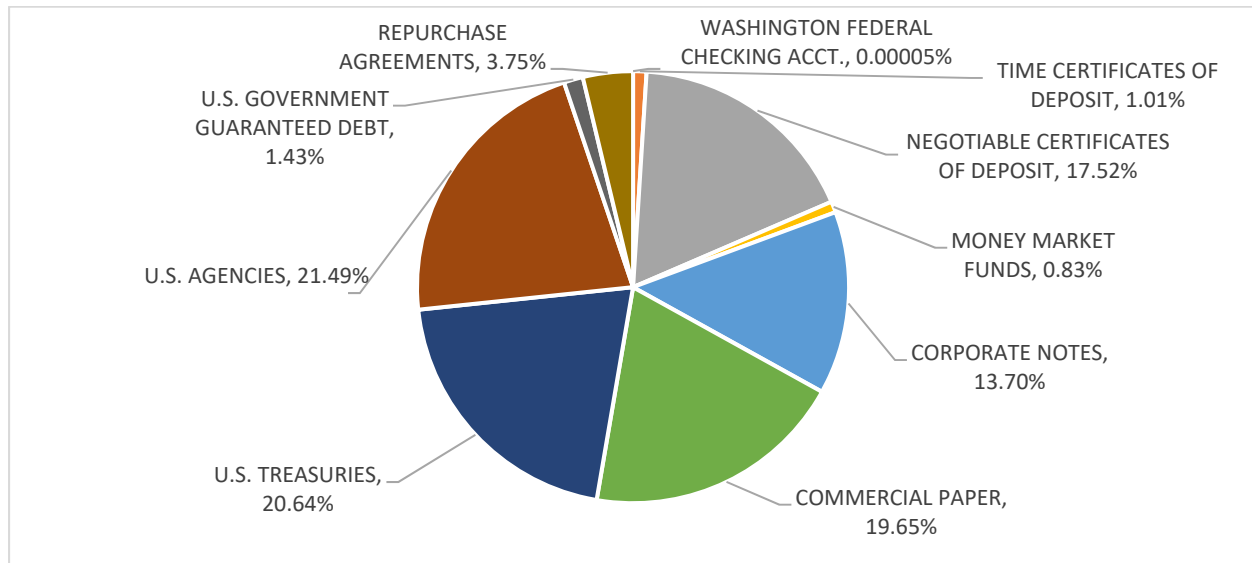
### General Portfolio

The State's General Portfolio is invested in U.S. Treasury and Agency securities, high quality corporate notes, commercial paper, negotiable and time certificates of deposit, municipal bonds, money-market funds, and securities guaranteed 100% by the US government such as Small Business Administration (SBA) pools. Securities holdings are diversified to prevent over-concentration by maturity, issuer, or security class. The State Treasurer maintains a conservative, moderately active investment strategy, which provides the ability to take advantage of market opportunities as they occur by analyzing projected cash flow needs. Portfolio maturities are structured to reduce the likelihood of a forced sale of securities in any but the most severe circumstances.



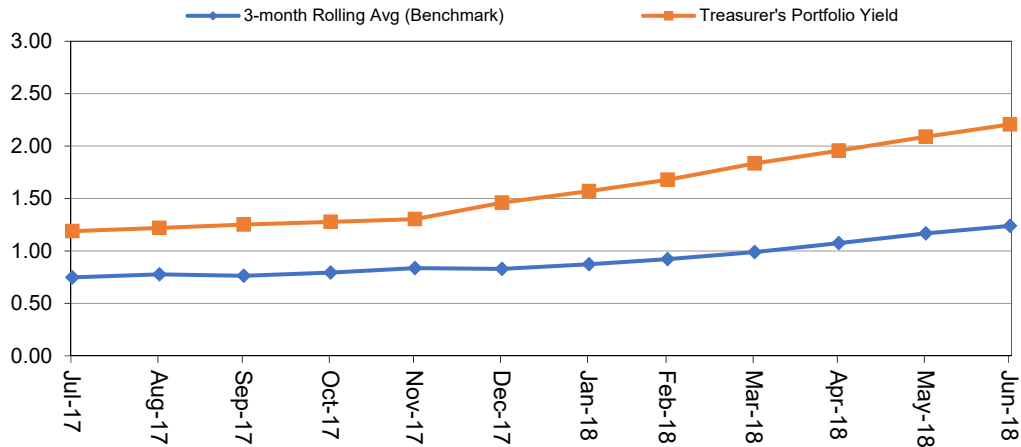
In FY16, the State's investment policies were amended to accommodate the use of registered investment advisors to manage a portion of the State's General Portfolio. The State Treasurer's manages the portion of the Portfolio utilized for operating funding, while the portion of the Portfolio not needed for immediate expenses is managed by two registered investment advisers, Chicago Equity Partners and MacKay Shields.

The FY18 General Portfolio's book value as of June 30, 2018 was \$2.483 billion. The following chart provides a breakdown of total investments held as of the end of FY18. Total realized earnings for FY18 were \$34,861,867 representing a yield of 1.42%.



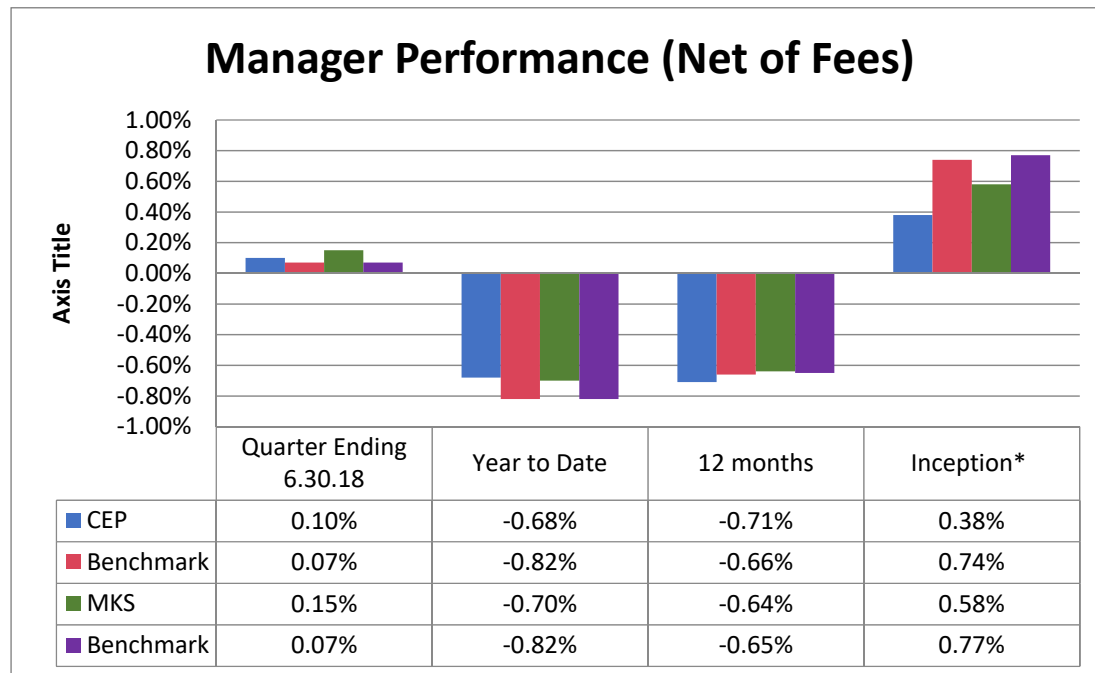
### **Performance of Operating Portion of General Portfolio vs. Benchmark**

As of June 30, 2018, the yield on the portion of the General Portfolio used for operating expenses was 2.207%. A customized benchmark has been created using a combination of the three-month T-bill and two-year treasury notes. A three-month rolling average of this benchmark for this period was 1.24% with an average maturity of 218 days. The average maturity of the State's operating portfolio was .53 years or 192 days.



### **Performance of Outside Managers' Performance vs. Benchmark**

The performance net of fees since inception for the period ending June 30, 2018 for manager Chicago Equity Partners (CEP) is 0.38% and for Mackay Shields (MKS) is 0.58%\*. Both returns are based on a time-weighted rate of return which is defined as the compounded growth rate of \$1 over the period being measured. These funds have been assigned the Bloomberg Barclays Intermediate Government Credit A or better benchmark. The Nevada statutory requirements prevent managers from investing in certain securities and fewer corporate notes which is the cause of the difference in manager performance versus the benchmark. \*CEP inception date is August 2015 and MKS is December 2015.

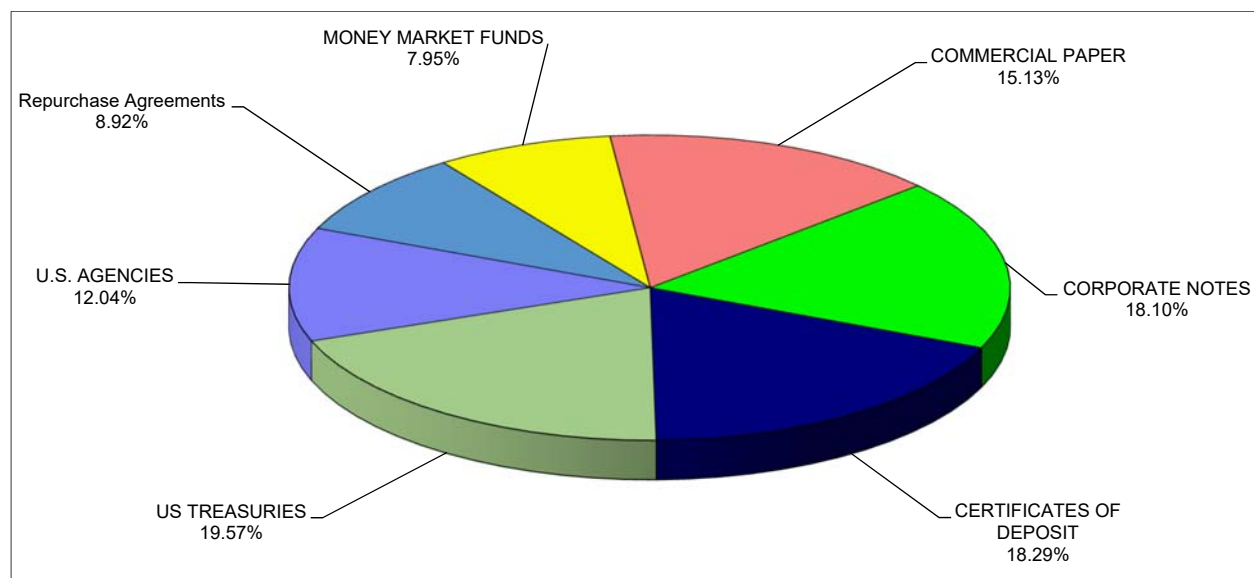


## Local Government Investment Pool

The LGIP was established as an alternative program to be utilized by local governments on a voluntary basis for their investable cash, with the advantage being economies of scale. The State Treasurer administers the LGIP in a conservative manner, consistent with the prudent guidelines outlined in a LGIP-specific Investment Policy. Any local government may deposit its public monies in the pool. In addition to safety and convenience, the LGIP permits:

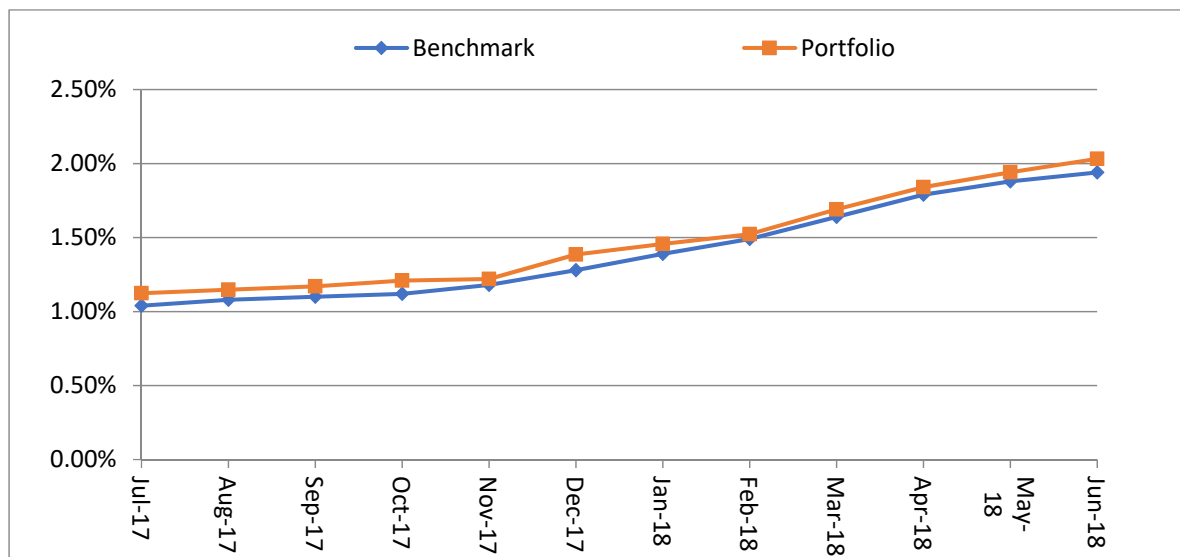
- Multiple accounts may be maintained for accounting purposes;
- No minimum or maximum size of accounts;
- No limit on transaction size for deposits or withdrawals of funds; and
- No restriction on length of time proceeds can be invested.

The LGIP investment strategy incorporates the matching of maturing securities to the anticipated cash needs of the participants. Approximately 10% of the fund matures on a daily basis to ensure sufficient liquidity is available to meet both anticipated and unanticipated withdrawals. The LGIP imposes a Minimum Liquidity Requirement, which projects the cash flow needed to meet identified obligations within a rolling four-week period and has maturing securities aligned accordingly. The following chart provides a breakdown of total investments held as of the end of June 30, 2018.



## Performance vs. Benchmark

As of July 1, 2015, registered investment advisor, FTN Financial Services Mainstreet Capital Advisors (FTN), began managing the LGIP Portfolio. FTN created a custom blended benchmark to assess performance in the LGIP\*. As of the end of FY18, the LGIP was outperforming this benchmark by 9.2 basis points. There were 88 LGIP members at the close of FY18, comprised of cities, counties, school districts, and various special districts across the State. The LGIP's book value on June 30, 2018 was \$1,120,543,264. The LGIP's investment objectives include safety of principal, portfolio liquidity, and market return, consistent with a conservative, short duration portfolio. The Weighted Average Maturity (WAM) of the portfolio at fiscal year-end is 140 days.



\* Benchmark: Bloomberg Indexes--180 Day Agency 60%, 90 Day A-1/P-1 CP 20%, (3 Month Moving Averages Agy and CP), MMF 20%

## NVEST

NVEST is an alternative investment program for local governments, the objective of which is to provide higher returns than the LGIP. The minimum account size is \$3 million. NVEST participants, working with one of three registered investment advisors, can customize their portfolios based on their risk tolerances and other factors. During late FY 2015, an RFP was issued to select managers for the NVEST program. The firms chosen were Atlanta Capital, Government Portfolio Advisors and Chicago Equity Partners. As of June 30, 2018, the NVEST portfolios had a total book value of \$118,006,243 and consisted of 3 participants.

<u>Entity</u>	<u>Manager</u>	<u>Book Value</u>
Clark Co School District	Atlanta Capital	\$ 98,695,818.72
City of Elko	Government Portfolio Advisors	\$ 4,822,813.93
City of Fernley	Atlanta Capital	\$ 14,487,610.23
		<b>\$ 118,006,242.88</b>

## Collateral Pool Program

Under Nevada Revised Statute (NRS) 356.350, the State Treasurer is required to establish a program for “the monitoring of collateral of public funds.” The Nevada Pooled Collateral Program offers state and local government agencies an efficient, cost effective, and safe alternative method for securing public funds. The primary objective is to reduce risk while, at the same time, decrease the overall collateral requirement for depositories. By centralizing the administration and reporting functions through the Investment Division, government agencies and depositories recognize cost savings in terms of operational support and collateral efficiency.

Each financial institution is required to maintain as collateral (at a third-party repository) acceptable securities having a fair market value that is at least 102% of the amount of the aggregate uninsured ledger balances of the public money held by the depository. Participating financial institutions must report each day the amount of deposits held and the value of the corresponding

pledged collateral. Any under collateralization must be rectified by the financial institution by the close of business on the day the under collateralized deposits are reported.

At the conclusion of FY18, there were 307 public entities throughout the State participating in the Collateral Pool Program, with deposits in 14 financial institutions and a daily balance on June 29, 2018 of \$1.384 billion with pledged collateral of \$1.858 billion, which calculates to \$446 million in excess collateral.

## **Permanent School Fund**

The Permanent School Fund was created to account for monies received from estates that escheat to the State, proceeds from the sale of federal lands given to the State, and fines collected under the penal laws of the State that are pledged only for education purposes under Article 11, Section 3 of the Constitution of the State of Nevada. Per NRS 355.050, the State Treasurer shall have charge of all the investments of money and the sale of all securities of the State Permanent School Fund. In August 2015, the Treasurer chose to phase in public equity investments through institutional mutual funds at Vanguard.

All earnings on the Fund's assets are apportioned among several Nevada school districts. Additionally, school districts may enter into guarantee agreements with the State Treasurer whereby the money in the Fund is used to guarantee the debt service payments on certain bonds issued by school districts. The amount of guarantee for bonds of each school district outstanding, at any one time, must not exceed \$40 million.

As of June 30, 2017, the book value of the fixed-income investments of the Permanent School Fund totaled \$187,583,720, the public equity investments totaled \$118,792,000 and the private equity book value totaled \$38,386,073 (excludes capital returned to NCIC since SSOF inception). The total portfolio as of June 30, 2018 totaled \$344,761,793.

## **Nevada Capital Investment Corporation**

In 2011, the State Legislature passed Senate Bill 75, authorizing up to \$50 million non-tax dollars in the Permanent School Fund to be invested in private equity investments through a newly created non-profit corporation, the Nevada Capital Investment Corporation (NCIC). This private equity fund, called the Silver State Opportunities Fund (SSOF), is a first in the history of the State of Nevada. Sponsored by the Nevada State Treasurer's Office and supported by dozens of stakeholders during the 2011 Legislative Session, this fund focuses on new businesses in Nevada, existing Nevada businesses that are expanding, or in businesses which agree to relocate to this State.

In Fiscal Year 2018, SSOF was fully committed as of May 13, 2016. Approximately, 85.65% (\$42.8 million) of committed capital has been drawn from the Permanent School Fund as of June 30, 2018.

In terms of financial performance, SSOF is generating a 4.59% net annual return to the State's Permanent School Fund. On a gross basis, SSOF is generating an 8.39% Internal Rate of Return (IRR). As of June 30, 2018, the NCIC has contributed \$42.8 million and received \$8.3 million in distributions, resulting in \$34.5 million in net contributed capital. The performance is driven by yield-producing fund investments and the Fund's co-investments are expected to contribute future positive value to the Fund.

As of June 30, 2018, twenty-nine (29) companies have received investments from SSOF to date. This includes investments throughout the entire State as noted in the SSOF report. This is a total of \$598 million (15x multiplier) invested in Nevada and its partners which stretches far beyond the \$50 million capital invested via the Permanent School Fund. The Fund investments have supported 2,362 Nevada employees with an average wage of \$65,000 annually which is higher than the national average wage.



# DEBT MANAGEMENT DIVISION

Per Nevada Revised Statutes (NRS) 226.110 (10), the State Treasurer is directly responsible for the issuance of any debt obligation authorized on behalf of and in the name of the State, except for issuances by the Colorado River Commission, the University of Nevada System, and the Department of Business and Industry which issue various types of debt under a range of levels of autonomy. Subsection 11 allows the State Treasurer to organize and facilitate statewide pooled financing programs, including lease purchases, for the benefit of the state and any political subdivisions.

In Fiscal Year (FY) 18, the State Treasurer's Office successfully conducted two bond sales comprised of seven series of bonds:

BONDS ISSUED IN FY2018						
	Series	Original Amount	New Money	PV Savings	TIC	Term
Capital Improvement and Cultural Centers Bonds	2017A	\$ 85,635,000	\$ 85,635,000	\$ -	2.69%	20yrs
Natural Resources and RFDG Bonds	2017B	\$ 5,890,000	\$ 3,030,000	\$ 714,081	2.53%	18.5yrs
Open Space, Parks, and Natural Resources	2017C	\$ 7,940,000	\$ 4,450,000	\$ 457,490	2.54%	20yrs
Municipal Bond Bank Project #90	2017D	\$ 6,000,000	\$ 6,000,000	\$ -	2.72%	20yrs
Safe Drinking Water Revolving Fund Matching Bonds	2017E	\$ 6,215,000	\$ 6,215,000	\$ -	2.68%	20yrs
Water Pollution Control Revolving Fund Matching Bonds	2017F	\$ 3,760,000	\$ 3,760,000	\$ -	1.17%	4.5yrs
Highway Improvement Revenue (MVFT) Bonds	2018	\$ 125,905,000	\$ 125,905,000	\$ -	3.34%	20yrs
		\$ 241,345,000	\$ 234,995,000	\$ 1,171,571		

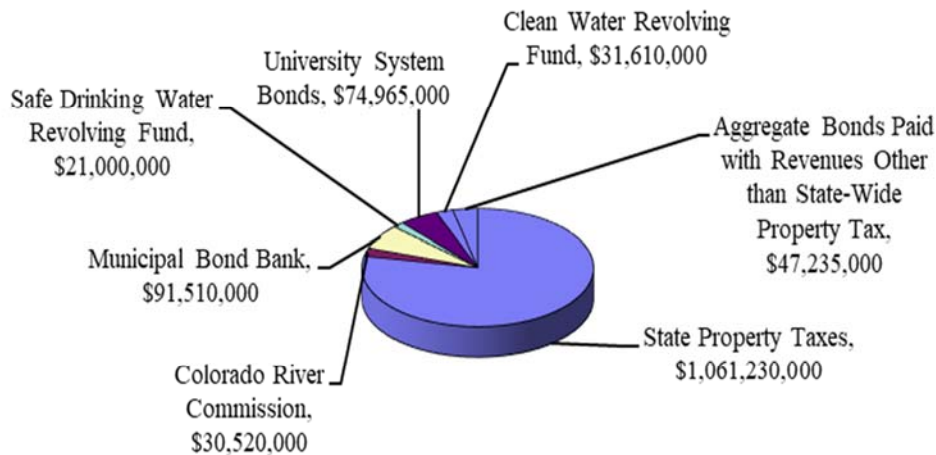
The combined principal (or par value) amount of the bonds was \$241,345,000. The terms of the bonds ranged from 4.5 years to 20 years and the true interest costs (TIC) ranged from 1.17% to 3.34%, which represents rates below historical averages. The refunding bonds produced approximately \$1.2 million in present value savings.

## General Obligation Debt

The State Treasurer is responsible for the issuance and maintenance of the following types of general obligation (GO) debt: Capital Improvement Bonds, Municipal Bond Bank Bonds, State Revolving Fund Bonds, Historic Preservation Bonds, Natural Resources Bonds, and other miscellaneous GO bonds and securities. The State requires GO bonds to be legislatively authorized and secured by that portion of the ad valorem tax revenue dedicated to the payment of GO debt to the extent other monies are not available. The State's gross GO debt as of June 30, 2018 was \$1,358,070,000.

The following chart illustrates the breakout of the State's \$1.36 billion Gross General Obligation Debt as of June 30, 2018.

### Gross General Obligation Debt as of June 30, 2018



During FY18, the Debt Management Division processed debt service payments for existing GO debt totaling approximately \$195.51 million.

Gross General Obligation Debt FY18 Debt Service Payments			
	Principal	Interest	Total
State Property Taxes	\$103,387,000	\$53,347,770	\$156,734,770
Aggregate Bonds Paid with Revenues Other Than Property Tax	3,038,000	1,837,865	4,875,865
Clean Water Revolving Fund	6,210,000	1,420,230	7,630,230
Safe Drinking Water Revolving Fund	3,170,000	518,647	3,688,647
Municipal Bond Bank	4,190,000	3,469,247	7,659,247
Nevada System of Higher Education	3,370,000	3,149,700	6,519,700
Colorado River Commission	7,065,000	1,333,997	8,398,997
Total FY18 Debt Service	\$130,430,000	\$65,077,456	\$195,507,456

## Municipal Bond Bank

NRS 350A.140 designates the State Treasurer as administrator of the Nevada Municipal Bond Bank. In accordance with NRS 350A.150, the amount of State securities issued to acquire municipal securities may not exceed \$1.8 billion outstanding at any time.

The State's Municipal Bond Bank program was established in 1981 to assist municipalities in undertaking local projects which foster and promote the protection and preservation of the property and natural resources of the State. Without this fund, municipalities might otherwise face the prospect of prohibitive interest rates.

The Board of Finance must approve the issuance of State GO and revenue securities under the Bond Bank Act. As of June 30, 2018, the outstanding par amount of securities issued pursuant to the Act was \$91,510,000.

## **Debt Service Reserves**

Nevada's Consolidated Bond Interest and Redemption Fund (the "Bond Fund") is used to account for the collection of the 17-cent property tax revenue dedicated to pay GO bonds, payment of the principal and interest on the State's GO bonds, and to reserve monies for future GO bond debt service payments. The reserve within the Bond Fund is funded from the excess of applicable property tax revenues over the required debt service payments plus interest earnings on the Bond Fund. The Bond Fund is available to provide ready reserves to meet current debt service obligations to the extent monies are insufficient from current property tax revenues.

The State's current debt management policy has as an objective to maintain a reserve within the Bond Fund balance at the end of each fiscal year equal to at least 50% of next fiscal year's debt service payments on GO bonds (exclusive of those bonds considered to be self-supporting and paid by other available revenues)..

As of June 30, 2018, the reserve amount within the Bond Fund was approximately \$133 million, or approximately 85% of the FY19 debt service payments payable from property taxes.

## **Debt Affordability Analysis**

A committee comprised of representatives from the Governor's Finance Office, the Department of Taxation, and the Legislative Counsel Bureau meets at a minimum biannually to forecast the estimated revenue to be received from its assessed property tax. The State Treasurer's Office attends these meetings and utilizes the committee's projections in the preparation of the General Obligation Debt Capacity and Affordability Report which is published each biennium. In the interim, the Debt Management Division updates the affordability analysis after each securities issuance and as needed.

The General Obligation Debt Capacity and Affordability Report is utilized by the Governor in preparing his recommended budget. The report is then presented to the State Legislature. The Legislature relies upon the report when considering the issuance of securities during the following biennium, determining the ad valorem tax rate for the payment of securities for the next biennium, and reviewing future debt capacity and affordability over the next ten years.

## **State Debt Capacity**

In addition to the General Obligation Debt Capacity and Affordability Report, prepared by the Debt Management Division, the issuance of GO bonds is also limited by the State Constitution. Article 9, Section 3 limits the aggregate principal amount of the State's outstanding GO debt to 2% of the total reported assessed valuation of the State. The limitation does not extend to debt incurred for the protection and preservation of any property or natural resources of the State, or for the purpose of obtaining the benefits thereof.

Subject to the constitutional debt limitation, the Legislature may authorize the issuance of debt for any public purpose.

As of June 30, 2018, the constitutional debt limit stood at \$2.47 billion. The outstanding debt subject to this limit was \$1.03 billion and the remaining constitutional debt capacity was \$1.44 billion.

<b>Constitutional Debt Limitation and Capacity<sup>(1)</sup></b>				
<b>Effective June 30</b>	<b>Assessed Valuation</b>	<b>Debt Limitation</b>	<b>Outstanding Debt Subject to Limitation</b>	<b>Remaining Constitutional Debt Capacity</b>
2014	\$92,727,490,889	\$1,854,549,818	\$1,151,010,000	\$703,539,818
2015	\$101,414,649,154	\$2,028,292,983	\$1,127,220,000	\$901,072,983
2016	\$108,331,564,829	\$2,166,631,297	\$1,082,845,000	\$1,083,786,297
2017	\$114,727,736,818	\$2,294,554,736	\$1,034,015,000	\$1,260,539,736
2018	\$123,398,562,960	\$2,467,971,259	\$1,025,895,000	\$1,442,076,259
<sup>(1)</sup> Estimated by State of Nevada Controller's Office				

## Nevada's Credit Ratings

Credit rating agencies provide an independent assessment of the relative creditworthiness of municipal securities. The rating system consists of letter grades that convey each company's assessment of the ability and willingness of a borrower to repay its debt in full and on time. Many investors rely upon these letter grades as a means of assessing the likelihood of repayment.

Credit ratings issued by the bond rating agencies are a major factor in obtaining the lowest cost of borrowed funds in the municipal bond market. Credit rating agencies base ratings on the assessment of the credit worthiness of an issuer with respect to a specific obligation.

There are several factors that rating agencies consider in assigning credit ratings: financial, economic, debt, and administration/management. Rating agencies believe debt management is an important factor in evaluating issuers and assigning credit ratings, which ultimately determine the borrowing cost of funds.

At the end of FY18, the state's GO debt was rated AA+, Aa2, and AA respectively by the three major rating agencies: Fitch Ratings, Moody's Investors Service, and S & P Global. The State's strong "AA" rating is just below the highest rating category of "AAA."

<b>Ratings</b>			
	<b>Fitch</b>	<b>Moody's</b>	<b>S&amp;P</b>
General Obligation	AA+	Aa2	AA
Safe Drinking Water Revolving Fund	AA+	Aa2	AAA
Water Pollution Control Revolving Fund	AA+	Aa2	AAA
Certificates of Participation	AA	Aa3	AA-
Highway Revenue	AA+	Aa2	AAA
Permanent School Fund Guarantee	N/A	Aaa	AAA

## **Permanent School Fund Guarantee Program**

The Permanent School Fund Guarantee Program (PSFG), established under NRS 387.519, provides a mechanism for Nevada school districts to enter into agreements with the State whereby the money in the Permanent School Fund (PSF) is used to guarantee the debt service payments on certain bonds issued by Nevada school districts.

PSFG secured bonds carry the highest possible rating of “AAA” by Moody’s and S & P Global—thus providing Nevada school districts with greater access to public credit markets and reduced borrowing costs. The State Treasurer is tasked with the responsibility of administering the PSFG.

Fundamental to the PSFG is the legal authorization of the PSF to guarantee school district debt, which includes ensuring timely debt service payment, coupled with strong oversight and enforcement provisions. If a district fails to make a timely payment, the State Treasurer is required to withdraw a sufficient amount of money from the PSF in order to make a timely debt service payment. The withdrawal from the PSF and payment of debt service on the bonds is considered a loan to the school district. The loan must be repaid to the State from either school district money available to pay debt service on the bonds which are PSF guaranteed or from withholdings of state aid due to the district.

The maximum amount of principal that can be guaranteed by the State for any Nevada school district is limited to \$40,000,000. Further, the total amount of bonds that can be guaranteed by the State is limited to 250% of the lower of the cost or fair market value of the assets in the PSF. Based on the current balance of the PSF, the maximum principal that can be guaranteed is more than \$750 million. As of June 30, 2018, \$211,123,700 in bonds had been guaranteed, or authorized by the State Board of Finance to be guaranteed, by the PSF.

# ACHIEVING A BETTER LIFE EXPERIENCE ABLE

In accordance with NRS 427A.882 through 472A.896, the State Treasurer shall establish and carry out the Nevada ABLE Savings Program to comply with the requirements of a qualified Achieving a Better Life Experience (ABLE) program pursuant to 26 U.S.C. § 529A as amended.

The Nevada State Treasurer's Office Nevada's ABLE Act program was launched in early 2017, and Treasurer Schwartz is very excited to bring this opportunity to Nevada families. Staff worked with a multi-state consortium to conduct a Request for Proposal (RFP) and selected Ascensus as the provider and record-keeper for the program. Nevada entered into a contract with Ascensus and the consortium which includes 17 states in addition to Nevada. As of June 30, 2018, Nevada ABLE had 237 accounts with assets totaling \$1,013,846.

The ABLE Act allows eligible Nevadans with disabilities to create a special savings account for many personal expenses aimed at making their lives easier. Family members and friends can also contribute to the account. On December 19, 2014, the ABLE Act was passed by a majority in Congress while the Nevada Legislature passed SB 419 to authorize the State Treasurer's Office to implement the Nevada's ABLE Program. The Aging and Disability Services Division is responsible for education and outreach.

For more information regarding the ABLE Act, please head to <http://nv.savewithable.com>.

## Staff Profiles



**Grant Hewitt** was named Chief of Staff for the Nevada State Treasurer's office in January 2015. As Chief of Staff, Grant serves as the office's liaison with other government officials and dignitaries, oversees all internal and external communication, as well as the coordination of special projects, and supervises the office's personnel. Prior to joining the Treasurer's office, Grant served as President of Red Point Strategies; a Southern Nevada based consulting firm specializing in strategic counsel to 501c3 and 501c4 organizations. Grant holds a Bachelor of Science degree in Political Science from Texas Christian University.

Chief Deputy Treasurer **Tara Hagan** joined the State Treasurer's Office in June 2012 as Deputy Treasurer - Finance. Her responsibilities include working closely with the Debt Management, Investment Management, and Cash Management divisions, including assisting with investment and contract responsibilities related to the Nevada College Savings Plans. Tara previously served nearly five years as the Executive Director of the Nevada Deferred Compensation Program, where she was responsible for managing the daily operations. Prior to this position, Tara was the Regional Manager for Voya Financial Services (formerly ING Financial Services) where she was responsible for the relationship management of several government defined contribution plans in California and Nevada. Tara holds a Bachelor of Arts degree in journalism and political science from the University of Iowa.



**Beth Yeatts**, Senior Deputy for Southern Nevada, was appointed to the Treasurer's Office in October 2017. She is responsible for overseeing the College Savings and Unclaimed Property Divisions and working with the Chief Deputy Treasurer and the Chief of Staff on special projects. Prior to joining the Treasurer's Office, Beth worked in various state and federal government agencies and has spent over 20 years in management roles in higher education. She holds a Masters of Business Administration degree from Youngstown State University and is a Certified Public Accountant.





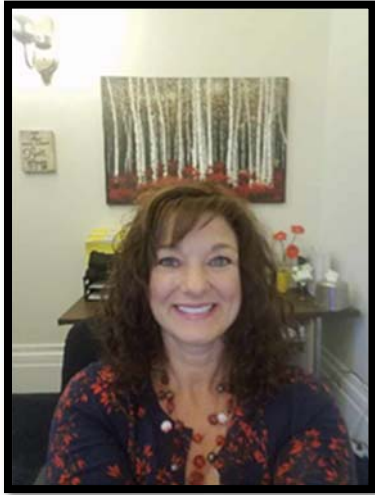
**Sheila Salehian**, Executive Director of the Governor Guinn Millennium Scholarship program and Deputy Treasurer for College Savings joined the Treasurer's Office in January 2012. Sheila's responsibilities include oversight of the first 529 College Savings Program in Nevada and The Nevada Prepaid Tuition Program. She is also responsible for outreach and administration of the office's many Financial Literacy programs. Prior to joining the Treasurer's office, Sheila worked in the Financial Services Industry for over 22 years, holding a variety of Relationship Manager, Area Director, & Information Technology liaison roles for a Fortune 100 company. Sheila holds a Bachelor of Business Administration degree from the University of Iowa.

**Linda Tobin** accepted the position of Deputy Treasurer of Unclaimed Property in January 2018. Linda is a graduate from UNLV and is both a Certified Public Accountant and Certified Public Manager. Linda manages the state's Unclaimed Property program which is responsible for collecting unclaimed property from businesses across the country due to Nevada's and then working to return these funds back to the rightful owner. Linda has worked for the State of Nevada for more than 21 years, including spending her first 20 years of state service with the Nevada Gaming Control Board.



**Lori Chatwood** accepted the position of Deputy Treasurer for Debt Management in March 2008. She has been employed by the State Treasurer's Office since 1997, and worked within the Debt Management division since 2000.

Besides overseeing the issuance of State securities, Lori is responsible for the collection and payment of various state obligations: Transportation, Capital Improvements, Water Pollution Control Revolving Fund, Safe Drinking Water Revolving Fund, Municipal Bond Bank, Lease-Backed Financings and the Permanent School Fund Guarantee, among others.



**Amber Law** accepted the position of Deputy Treasurer of Cash Management in March 2016. Amber is a Certified Public Manager and has served in governmental finance and accounting since 2005, and previously worked for the State Treasurer's Office from 2007 to 2012. Amber's duties include managing the Cash Management Division which oversees the State's banking relationships, the reconciliation of bank transactions with state accounting records, the e-payment merchant services program, and administers the state's check distribution program. She also oversees the day to day budget process, biennial budget request, purchasing, contract management, revenue forecasts, reports and financial statements for the Treasurer's Office.

**Kimberly Shafer** serves as the agency's Deputy Treasurer for Investments. Kim is responsible for management of the investment activities conducted through and for the Treasurer's Office, including the state's \$2.1 billion General Portfolio, \$581 million Local Government Investment Pool, and the \$308 million Permanent School Fund, among others. Before joining the Treasurer's Office in March 2016, Kim has worked for the Controller's Office, the Legislative Counsel Bureau's Audit Division and the Treasurer's Office as the Deputy Treasurer for Cash Management. Kim received her Bachelors of Science degree in 1998 from Sonoma State University. Prior to working for the State, Kim was employed by a public accounting firm in Reno. She is a Certified Public Accountant. Kim lives in Dayton with her husband, Rick, and her two sons.





**Sandy Dombrowski** serves as Executive Assistant to State Treasurer Dan Schwartz. She joined the office in October 2007. Her duties include scheduling, administrative tasks, assisting with inquiries and correspondence from constituents and elected officials, and other responsibilities assigned by the Treasurer. Sandy previously was a customer service representative and executive office receptionist for the Secretary of State's Office, as well as serving as back up to the Secretary's Executive Assistant.

# Financial Section

# 2018 ANNUAL REPORT

## STATE OF NEVADA OFFICE OF THE STATE TREASURER

### UNCLAIMED PROPERTY

Statement of Revenues, Expenditures and Changes in Fund Balance  
For the Fiscal Years Ended June 30, 2018 and June 30, 2017

Revenues	2,018	2017
Unclaimed Property Receipts		
Utility Companies	\$ 639,226	\$ 1,783,045
Insurance Companies	3,721,577	9,907,905
Financial Institutions	19,085,616	21,751,701
Security Sales & Dividends	14,452,909	13,229,416
Local Governments	1,457,051	1,818,128
Other State Governments	1,347,186	1,054,854
Other Businesses	30,495,572	19,405,142
Audit Proceeds	3,656,997	504,653
Direct Payment From FDIC	133,351	249,969
Misellaneous Sales	1,470	175
Penalties, Interest and Other	1,522,481	2,150,048
Total Revenues	<u>76,513,435</u>	<u>71,855,037</u>
Expenditures		
Payments to Claimants	39,773,451	36,178,968
Payments FDIC Claimants	-	905,680
Personnel Costs	742,764	678,913
Contractual Services	1,092,773	950,607
Operating Costs	134,664	132,807
Advertising and Public Relations	122,318	120,475
Total Expenditures	<u>41,865,970</u>	<u>38,967,450</u>
Other Financing Sources (Uses)		
Transfer to General Fund	(26,723,929)	(25,837,947)
Transfer to Educational Trust Fund	(190,185)	(105,351)
Transfer to Gov. Guinn Scholarship Fund	(7,600,000)	(7,600,000)
Total Other Financing Sources (Uses)	<u>(34,514,114)</u>	<u>(33,543,298)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	133,351	(655,711)
Beginning Balance, July 1	12,238,067	12,893,778
Ending Balance, June 30	<u>\$ 12,371,418</u>	<u>\$ 12,238,067</u>

Cash Basis - Unaudited

# 2018 ANNUAL REPORT

## STATE OF NEVADA OFFICE OF THE STATE TREASURER

### MILLENNIUM SCHOLARSHIP TRUST FUND Statement of Revenues, Expenditures and Changes in Fund Balance For the Fiscal Years Ended June 30, 2018 and June 30, 2017

Revenues	2018	2017
Tobacco Settlement Income	\$ 16,595,931	\$ 15,883,500
Appropriation	-	20,000,000
Interest Income	147,776	71,269
Prior Year Correction	-	-
Refunds	3,379	1,074
Total Revenues	<u>16,747,086</u>	<u>35,955,843</u>
Expenditures		
Scholarship Payments	34,500,837	31,948,531
Personnel	205,884	216,879
Travel	2,061	919
Administrative	120,201	95,891
Total Expenditures	<u>34,828,982</u>	<u>32,262,221</u>
Other Financing Sources (Uses)		
Transfer from College Savings Endowment Account	-	-
Transfer from Treasurer	328,146	313,690
Transfer from Unclaimed Property	7,600,000	7,600,000
Total Other Financing Sources (Uses)	<u>7,928,146</u>	<u>7,913,690</u>
Excess of revenues and other financing sources over expenditures and other financing uses	(10,153,751)	11,607,312
Beginning Balance, July 1	28,504,560	16,897,248
Ending Balance, June 30	<u>\$ 18,350,809</u>	<u>\$ 28,504,560</u>

Cash Basis - Unaudited



# 2018 ANNUAL REPORT

## STATE OF NEVADA OFFICE OF THE STATE TREASURER

### PREPAID TUITION TRUST FUND

Statement of Revenues, Expenditures and Changes in Fund Balance  
For the Fiscal Years Ended June 30, 2018 and June 30, 2017

Revenues	2018	2017
Participant Contributions	\$ 16,267,178	\$ 17,910,470
Application Fees	76,600	92,000
Administrative Charges	27,700	28,600
Interest Income	34,084	19,449
Investment Gain (Loss)	7,180,103	5,307,828
Total Revenues	<u>23,585,664</u>	<u>23,358,347</u>
Expenditures		
Tuition Payments	11,227,210	10,435,951
Personnel Costs	207,621	208,932
Travel	1,362	1,355
Operating Costs	474,801	416,889
Contract Cancellation Refunds	2,272,946	2,002,828
Contract Rollover Payments	51,101	109,610
Total Expenditures	<u>14,235,041</u>	<u>13,175,564</u>
Other Financing Sources (Uses)		
Transfer from College Savings Endowment Account	-	-
Transfer from College Savings to Pay Operating	683,784	627,175
Total Other Financing Sources (Uses)	<u>683,784</u>	<u>627,175</u>
Excess of revenues and other financing sources over expenditures and other financing uses	10,034,407	10,809,958
Beginning Balance, July 1	198,972,037	188,162,079
Prior Period Adjustment	-	-
Ending Balance, June 30	<u>\$ 209,006,444</u>	<u>\$ 198,972,037</u>

Cash Basis - Unaudited

# 2018 ANNUAL REPORT

## STATE OF NEVADA OFFICE OF THE STATE TREASURER

### COLLEGE SAVINGS

Statement of Revenues, Expenditures and Changes in Fund Balance  
For the Fiscal Years Ended June 30, 2018 and June 30, 2017

Revenues	2018	2017
Investment Management Fees	\$ 5,114,749	\$ 5,131,046
Gifts and Donations	-	7,420
Noncash Revenues	532,647	495,733
Settlement Income	-	-
Interest Income	83,466	39,905
Cost Allocation/Fund Transfers	2,870,176	3,449,351
Total Revenues	<u>8,601,038</u>	<u>9,123,454</u>
Expenditures		
Personnel	188,510	212,703
Operating	2,685,474	3,238,122
In-Kind Marketing	532,647	495,733
Total Expenditures	<u>3,406,630</u>	<u>3,946,557</u>
Other Financing Sources (Uses)		
Administrative Transfers		
College Savings	2,870,176	3,449,351
Millennium Scholarship	328,146	313,690
Prepaid Tuition	683,784	627,175
Transfer to Prepaid Tuition Trust Fund		-
College Kick Start		-
Cost Allocation	2,732	3,728
Settlement Expenses		3,420
Total Other Financing Sources (Uses)	<u>3,884,838</u>	<u>4,397,364</u>
Excess of revenues and other financing sources over expenditures and other financing uses	1,309,570	779,533
Beginning Balance, July 1	5,861,971	5,082,437
Ending Balance, June 30	<u>\$ 7,171,541</u>	<u>\$ 5,861,970</u>

Cash Basis - Unaudited

# 2018 ANNUAL REPORT

## STATE OF NEVADA OFFICE OF THE STATE TREASURER

### CONSOLIDATED BOND INTEREST & REDEMPTION FUND

Statement of Revenues, Expenditures and Changes in Fund Balance  
For the Fiscal Years Ended June 30, 2018 and June 30, 2017

Revenues		
Taxes	2,018	2017
Real Property	130,098,306	\$ 124,185,673
Personal Property	15,703,036	15,047,662
Centrally Assessed Property	11,697,455	8,078,915
	<u>157,498,797</u>	<u>147,312,250</u>
Other		
Lease Purchase Building Rent	8,036,797	6,663,702
Interest Income	2,274,853	1,237,212
Excess Escrow Funds	925	22
	<u>10,312,575</u>	<u>7,900,937</u>
Total Revenues	<u>167,811,372</u>	<u>155,213,187</u>
Expenditures		
Personnel	189,652	188,259
Statewide Cost Allocation (SWCAP)	4,850	5,643
Operating	13	-
Professional Services	935,014	867,322
Trust Agent Fees	24,535	32,247
	<u>1,154,063</u>	<u>1,093,471</u>
Debt Service		
Bond Principal Redemption	113,507,000	109,992,500
Bond Interest Expense	61,953,078	62,292,056
	<u>175,460,078</u>	<u>172,284,556</u>
Total Expenditures	<u>176,614,141</u>	<u>173,378,027</u>
Other Financing Sources (Uses)		
Transfers from State Agencies	11,361,368	19,930,235
Special Higher Ed Capital	6,512,971	6,688,125
University System	6,728	3,233,950
Wildlife Division	1,064,950	1,052,950
Capital Projects Fund	-	-
NDOT	1,659,559	780,451
Colorado River Commission	1,220,815	7,390,297
Environmental Protection	-	-
Department of Information Technology	665,357	665,357
Corrections	-	-
General Fund	250	500
DMV	223,488	111,493
Combined Receipts from many agencies	7,250	7,113
Dept of Cons. & Natural Res. - Arbitrage		
US Treasury - Build America Bonds Subsidy	1,174,514	1,235,419
State Treasurer's Assessment	241,345	203,520
Transfers-out		
Transfer to UCCSN	-	(169,125)
Transfer to Local Government	-	-
Transfer to Public Works Board	(93,456)	-
Net Proceeds from Refundings	-	1,325
Net Prior Year Refunds/Expenditures	-	-
Bond Proceeds for Cost of Issuance	928,577	871,422
Total Other Financing Sources (Uses)	<u>13,612,348</u>	<u>22,072,796</u>
Excess of revenues and other financing sources over expenditures and other financing uses	4,809,578	3,907,957
Beginning Balance, July 1	129,542,653	124,082,258
Balance Forward Prior Year from other accounts	-	1,552,438
Prior Period Adjustment	-	-
Ending Balance, June 30	<u>134,352,231</u>	<u>\$ 129,542,653</u>

Cash Basis - Unaudited

# 2018 ANNUAL REPORT

## STATE OF NEVADA OFFICE OF THE STATE TREASURER

### MUNICIPAL BOND BANK BOND INTEREST & REDEMPTION FUND

Statement of Revenues, Expenditures and Changes in Fund Balance

For the Fiscal Years Ended June 30, 2018 and June 30, 2017

	2018	2017
Revenues		
Receipts from municipalities-Interest	\$ 3,469,247	\$ 3,508,219
Receipts from municipalities-Principal	\$ 4,190,000	\$ 4,540,000
Other		
Interest Income	4,338	2,574
Reimbursement of Expenses	60,329	975
Total Revenues	<u>7,723,914</u>	<u>8,051,768</u>
Expenditures		
Administrative Costs	58,541	611
Transfer to Administration	4,338	3,166
Trust Agent Fees	1,788	975
	<u>64,667</u>	<u>4,752</u>
Debt Service		
Bond Principal Redemption	4,190,000	4,540,000
Bond Interest Expense	3,469,247	3,508,219
	<u>7,659,247</u>	<u>8,048,219</u>
Total Expenditures	<u>7,723,914</u>	<u>8,052,971</u>
Other Financing Sources (Uses)		
Reversion to General Fund	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures and other financing uses	-	(1,203)
Beginning Balance, July 1	-	1,203
Ending Balance, June 30	<u>\$ -</u>	<u>\$ -</u>

odd # years balance reverts to General Fund

even # years balances forward to the following year or pursuant to NRS 350A.190 2(d)

money reverted to General Fund and closed with zero balance

Cash Basis - Unaudited



# 2018 ANNUAL REPORT

## STATE OF NEVADA OFFICE OF THE STATE TREASURER

### FUND FOR HEALTHY NEVADA

Statement of Revenues, Expenditures and Changes in Fund Balance  
For the Fiscal Years Ended June 30, 2018 and June 30, 2017

Revenues	2018	2017
Tobacco Settlement Income	\$ 24,893,897	\$ 23,825,251
Interest Income	414,672	227,464.44
Appropriations	-	-
Refund of Unused Grant Money	24,679	0
Total Revenues	<u>25,333,247</u>	<u>24,052,715</u>
Expenditures		
Operating	<u>64,983</u>	<u>64,755</u>
Total Expenditures	<u>64,983</u>	<u>64,755</u>
Other Financing Sources (Uses)		
Transfer to Department of Health and Human Services		
Administrative Services	838,753	892,019
Senior RX Program	1,870,899	2,426,206
Children & Disabled Persons	4,224,829	4,920,401
Aging Services	5,655,875	6,891,929
Disability RX	275,202	471,289
Differential Response	1,288,859	1,290,731
Traumatic Brain Injury	-	252,363
Autism	2,000,000	2,520,231
Family Resource Center	1,295,437	1,366,852
Taskforce Support	-	26,652
Consumer Health Asst	284,001	167,423
Tobacco Cessation	948,819	992,486
Public and Behavioral Health	2,552,751	4,405,667
Transfer to Millennium Scholarship	-	-
Total Other Financing Sources (Uses)	<u>21,235,424</u>	<u>26,624,248</u>
Excess of revenues and other financing sources over expenditures and other financing uses	4,032,840	(2,636,288)
Beginning Balance, July 1	31,398,496	34,034,783
Prior Year Adjustment		
Ending Balance, June 30	<u>\$ 35,431,336</u>	<u>\$ 31,398,495</u>